

Message Text

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PAGE 01 STATE 021499
ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-08 TRSE-00 OMB-01 AID-05
FRB-03 CIAE-00 INR-07 NSAE-00 L-03 /044 R

DRAFTED BY XMB: L M LAROCHE:CR
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XMB: C NORRIS
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FM SECSTATE WASHDC
TO AMEMBASSY ANKARA IMMEDIATE
INFO AMCONSUL ISTANBUL IMMEDIATE

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E.O. 11652: GDS

TAGS: EFIN, TU

SUBJECT: EXIMBANK RESTRUCTURING OF SHORT-TERM SUPPLIER
CREDITS

1. EXIMBANK ON 24 JAN. 78 APPROVED FORMAL COMMITMENT TO
PROVIDE FINANCIAL GUARANTEE ON CITIBANK LOAN TO CENTRAL
BANK, GUARANTEED BY MOF, TO RESTRUCTURE AND CONSOLIDATE
UP TO DOLS. 20 MILLION OF PAST DUE INSURED SHORT-TERM
SUPPLIER CREDITS.

GUAR. FEE: 0.5 PERCENT REPEAT 0.5.
COVERAGE: 95 PERCENT OF ELIGIBLE ITEMS.
CASH PAYT: 5 PERCENT
REPAYT: 10 QUARTERLY INSTALLMENTS

INTEREST: FLOATING OR FIXED RATE TO BE
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AGREED BETWEEN CITIBANK AND
CENTRAL BANK, ACCEPTABLE TO
EXIMBANK.

2. OTHER TERMS AND CONDITIONS TO BE DETAILED IN COMMIT-
MENT LETTER BEING POUCHED FOR DELIVERY, PREFERABLY IN
PERSON, TO FINANCE MINISTER MUEZZINOGLU, TO BE ACCEPTED

AND RETURNED. TURKISH EMBASSY BEING SO ADVISED, AND WILL BE GIVEN COPY OF LETTER.

3. MEANWHILE, EMBASSY REQUESTED TO ADVISE CANEVI OF CENTRAL BANK AND APPROPRIATE MOF OFFICIALS.

4. TERSE BAREBONES ANNOUNCEMENT WILL BE MADE SHORTLY BY BANK, INCLUDED IN REGULAR LIST OF CREDITS AND FINANCIAL GUARANTEES APPROVED DURING JAN. 78.

5. BANK'S RESPONSE TO CONGRESSIONAL AND PUBLIC INQUIRIES IS THAT ARRANGEMENT WILL REGULARIZE THIS (SMALL) PART OF TURKISH DEBT, BY TAKING CENTRAL BANK OBLIGATIONS IN PLACE OF NUMEROUS INDIVIDUAL ITEMS, WHICH WILL THEN BE REPAID WITH INTEREST AND ON FIXED SCHEDULE. DOES NOT IN ANY WAY PERTAIN TO LONG-TERM DEBT. FYI. IMF REACTION WAS THAT AMOUNT TOO SMALL TO INFLUENCE THEIR NEGOTIATIONS, AND REGULARIZATION OF VARIETY OF TRANSACTIONS WAS UNOBJECTIONABLE. ALSO BERNE UNION MEMBERS SEEMED TO HAVE LITTLE REACTION ONE WAY OR OTHER. END FYI.

6. AYANLAR OF CITICORP EXPECTED IN WASHINGTON WEEK OF 30 JAN. TO HELP IN DRAFTING OF LOAN AND GUARANTEE AGREEMENT. VANCE

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, DEVELOPMENT BANKS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Line Count: 86
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Litigation Codes:
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Previous Handling Restrictions: n/a
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Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3706594
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK RESTRUCTURING OF SHORT-TERM SUPPLIER CREDITS
TAGS: EFIN, TU, XMB
To: ANKARA
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/323209e0-c288-dd11-92da-001cc4696bcc
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